

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re:	§	Chapter 11
	§	
W.R. GRACE & CO., et al.,	§	Jointly Administered
	§	Case No. 01-01139 (JKF)
Debtors.	§	

**NOTICE OF THIRTY-EIGHTH INTERIM VERIFIED FEE APPLICATION OF
WARREN H. SMITH & ASSOCIATES, P.C. AS FEE AUDITOR FOR ALLOWANCE
OF COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Warren H. Smith & Associates, P.C.

Authorized to Provide
Services: As Fee Auditor to the Estates

Date of Retention: March 18, 2002

Period for Which Compensation and
Reimbursement is Sought: July 1, 2010 through September 30, 2010

Amount of Compensation
Requested: \$45,116.75

Amount of Expense
Reimbursement Requested: \$3,433.43

Amount of Compensation
Requested Less Holdback: \$36,093.40

Amount of Compensation Paid
For Applicable Period: \$6,566.00

Amount of Expenses Reimbursed
For Applicable Period: \$2,597.94

Total Amount of Holdback
Fees in Aggregate: \$39,386.24

CUMULATIVE SUMMARY OF INTERIM APPLICATIONS OF WARREN H. SMITH & ASSOCIATES, P.C. FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD JULY 1, 2010 THROUGH SEPTEMBER 30, 2010:

08/06/10	July 1, 2010 - July 31, 2010	\$8,207.50	\$2,597.94	\$6,566.00	\$2,597.94
09/07/10	August 1, 2010 – August 31, 2010	\$19,097.00	\$302.00	\$0.00	\$0.00
10/06/10	September 1, 2010 – September 30, 2010	\$17,812.25	\$533.49	\$0.00	\$0.00

CUMULATIVE COMPENSATION SUMMARY BY PROJECT CATEGORY:

Project Category	Total Hours For The Period 07/01/10 through 09/30/10	Total Hours from the Petition Date	Total Fees For The Period 07/01/10 through 09/30/10	Total Fees From The Petition Date
Accounting/Auditing	314.40	14,820.85	\$44,078.00	\$2,095,816.00
Fee Application	9.9	205.3	\$1,038.75	\$99,515.75
Total	324.3	15,026.15	\$45,116.75	\$2,195,331.75

CUMULATIVE EXPENSE SUMMARY:

Expense Category	Total Expenses for the Period 07/01/10 through 09/30/10	Total Expense From The Petition Date
Long Distance	\$0.00	\$376.70
Third Party Copies & Document Mailing	\$1,064.54	\$24,634.96
Travel Expenses	\$0.00	\$809.88
Fed-Ex	\$0.00	\$151.90
Postage	\$0.00	\$801.22
PACER Research	\$57.20	\$3,736.00
CourtCall Conference Services	\$88.00	\$148.00
W Westlaw	\$2,223.69	\$5,853.64
TOTAL	\$3,433.43	\$36,512.30

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**THIRTY-EIGHTH INTERIM VERIFIED FEE APPLICATION OF
WARREN H. SMITH & ASSOCIATES, P.C. AS FEE AUDITOR FOR ALLOWANCE
OF COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, dated November 30, 2000 (the "Administrative Order"), and the Order Appointing Fee Auditor and Establishing Related Procedures Concerning the Allowance of Payment of Compensation and Reimbursement of Expenses of Applicants and Consideration of Fee Applications, dated March 18, 2002 (the "Fee Auditor Order"), the law firm of Warren H. Smith & Associates, P.C. ("WHS") hereby files this Thirty-Eighth Interim Verified Fee Application of Warren H. Smith & Associates, P.C. as Fee Auditor for Allowance of Compensation and for Reimbursement of Expenses (the "Application"). By this Application, WHS seeks that this Honorable Court award it reasonable compensation for professional legal services rendered as fee auditor for the estates of W. R. Grace & Co., et al. ("Debtors") in the amount of \$45,116.75 together with reimbursement for actual and necessary expenses incurred in the amount of \$3,433.43 for the period commencing July 1, 2010 through September 30, 2010 (the "Interim Period"). In support of its Application, WHS respectfully states as follows:

Background

1. On April 2, 2001, the Debtors filed voluntary petitions in this Court for relief under Chapter 11 of the Bankruptcy Code (the "Code"), 11 U.S.C. §§ 101 *et. seq.*, as amended. The Debtors continued in possession of their assets and were authorized to operate and manage their respective businesses pursuant to Bankruptcy Code §§ 1107 and 1108.

2. On March 18, 2002, this Court signed the Fee Auditor Order, approving the retention of WHS as fee auditor for the Debtors. The Fee Auditor Order authorized WHS to be compensated: "the lesser of (a) the ordinary hourly rate of the Fee Auditor for services of this nature or (b) 1% of the aggregate Applicant billings (fees and expenses) reviewed by the Fee Auditor that are subject to this Order over the life of these Chapter 11 Cases."

Compensation Paid and its Source

3. All services for which compensation is requested by WHS were performed for or on behalf of the bankruptcy estate and the Debtors and not on behalf of any committee, creditor or other person.

4. Other than interim payments from the Debtors set forth in the notice, above, WHS has received no payment or promise for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases, and there is no agreement or understanding between WHS and any other person other than members of the firm for the sharing of compensation to be received for services rendered in these cases.

Summary of Services

5. Attached hereto as Exhibit B are WHS's billing statements for the Interim Period. These statements contain detailed daily time logs describing the time expended by each attorney and para-professional for the Interim Period.

6. To the best of WHS's knowledge, this Application complies with sections 330 and

331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Guidelines adopted by the Office of the United States Trustee, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the Administrative Order.

7. During the Interim Period, WHS spent 9.9 hours of time for \$1,038.75 in fees seeking its own compensation. The professionals of WHS whom have rendered professional services to the Debtors during the Interim Period are Warren H. Smith, Jennifer Garner and Bobbi Ruhlander. The para-professionals of WHS whom have rendered professional services to the Debtors in these cases during the Interim Period are James Wehrmann, Doreen Williams, Melanie White, and Anthony Lopez.

Disbursements

8. WHS has incurred \$3,433.43 in disbursements for the Interim Period for Pacer charges, third party copies, and photocopies.

Valuation of Services

9. The rates charged by each professional during the Interim Period are set forth in Exhibit A. These rates are equal to or below WHS's normal hourly rates of compensation for work of this character. Attorneys and para-professionals of WHS have expended a total of 324.3 hours in connection with this matter during the Interim Period. The reasonable value of the services rendered by WHS for the Interim Period in these cases under Chapter 11 is \$45,116.75.

10. In accordance with the factors enumerated in 11 U.S.C. §§ 330, the amount of fees and expenses requested by WHS is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title. Moreover, WHS has reviewed the requirements of Local Rule 2016-2 of the Local Rules of the United States Bankruptcy

Court for the District of Delaware, Amended Effective February 1, 2001, and believes that this application complies with that rule.

WHEREFORE, WHS respectfully requests that an allowance be made to it in the amount of \$45,116.75 for fees and \$3,433.43 as reimbursement of actual necessary costs and expenses, for a total of \$48,550.18 for the period commencing July 1, 2010 through September, 2010, that such sums be authorized for payment, and for such other and further relief as this Court may deem just and proper.

Dated: November 8, 2010

WARREN H. SMITH & ASSOCIATES, P.C.



Warren H. Smith

Republic Center
325 N. St. Paul, Suite 1250
Dallas, Texas 75201
(214) 698-3868
(214) 722-0081 FAX
whsmith@whsmithlaw.com

CERTIFICATE OF SERVICE

I, Warren H. Smith, caused the preceding report to be served by First Class United States mail on the persons on the service list attached to the original on file, this 8th day of November, 2010

Copies of the service list may be obtained by contacting the undersigned.

A handwritten signature in blue ink, appearing to read "W H Smith", is written above a horizontal line.

Warren H. Smith

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re:	§	Chapter 11
	§	
W.R. GRACE & CO., et al.,	§	Jointly Administered
	§	Case No. 01-01139 (JKF)
Debtors.	§	

**ORDER APPROVING THIRTY-EIGHTH INTERIM
VERIFIED FEE APPLICATION OF WARREN H. SMITH & ASSOCIATES, P.C.
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

AND NOW, this _____ day of November, 2010, upon the Thirty-Eighth Interim Verified Fee Application of Warren H. Smith & Associates, P.C. for Allowance of Compensation and Reimbursement of Expenses (the "Application") dated November 8, 2010, the Court having been satisfied that the interim compensation and reimbursement requested therein is reasonable and justified given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services and (e) the costs of comparable services in cases other than cases under Title 11, and after notice and a hearing;

IT IS HEREBY ORDERED that the Application is approved and that the Debtors, or their successors in interest, are authorized and directed to pay to Warren H. Smith & Associates, P.C. the sum of \$45,116.75 as compensation for necessary professional services rendered for the period July 1, 2010 through September 30, 2010, and the sum of \$3,433.43 for reimbursement of actual and necessary costs and expenses incurred for the same period.

United States Bankruptcy Judge

Service List

The Debtors

David B. Siegel, Esquire
Sr. V.P. and Gen. Counsel
W.R. Grace & Co.
7500 Grace Drive
Columbia MD 21044

The Judge

Honorable Judith K. Fitzgerald
590 US Steel Tower
600 Grant Street
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Co-Counsel for the Debtors

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Campbell & Levine
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The Official Committee of Equity Holders

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Kramer, Levin, Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

Teresa K.D. Currier, Esquire
Klett Rooney Leber & Schorling
1000 West Street, Suite 1410
Wilmington, DE 19801

The Office of the United States Trustee

Office of the U.S. Trustee
844 King Street, Room 2311
Wilmington, DE 19801

Exhibit A

Timekeeper	Position	Hours	Rate	Total
Anthony Lopez	Clerk since 2002	115.00	\$45.00	\$5,175.00
Bobbi S. Ruhlander	Member of Texas Bar since 1991	78.10	\$265.00	\$20,696.50
Doreen Williams	Paralegal since 1982	0.70	\$165.00	\$115.50
James A. Wehrmann	Legal Assistant since 1989	26.90	\$152.50	\$4,102.25
Jennifer Garner	Member of Texas Bar since 2005	9.60	\$180.00	\$1,728.00
Melanie White	Paralegal since 2005	79.20	\$140.00	\$11,088.00
Melanie White	Paralegal since 2005	13.90	\$140.00	\$1,946.00
Warren H Smith	Principal of firm formed in 2001. Member Texas Bar since 1987. Member Illinois Bar since 1979.	0.90	\$295.00	\$265.50

Total Hours 324.3

Total Fees \$45,116.75

Exhibit B

(see attached)